

Financial Sustainability Advisory Committee Meeting Minutes

**October 12, 2011
5:00 p.m. - 7:00 p.m.
House Office Building, Room 240
6 Bladen Street
Annapolis, MD 21401**

The materials presented in the meeting are listed on the Maryland Health Benefit Exchange webpage: <http://dhmh.maryland.gov/healthreform/exchange/AdvComm/mtg-fin-sustain.html>

Members Present

Nathan Brown (Co-Chair)	Dushanka Kleinman (Co-Chair)
Ben Steffen (Board Liaison)	Russ Causey
Matt Celentano*	Alvin Helfenbein
Julia Huggins	Sheila Mackertich
Michael McHale	Miguel McInnis*
John O'Donnell	Leni Preston
Stephanie Reid	Mike Robbins
Tara Ryan	Randolph Sergeant*
Jagdeep Singh	Ronald Wineholt

Members Absent

None

Welcome and Introductions

The committee members introduced themselves. After discussion and correcting some issues, the committee approved the September 22, 2011 meeting minutes.

Becca Pearce, Executive Director of the Maryland Health Benefit Exchange, introduced herself to the committee. She emphasized that she is available for any questions or concerns that the committee members may have. Also, committee members are encouraged to submit public comments in writing to Ms. Pearce.

Update from Advisory Committees and Board

Jesse Kopelke, staff member for the committee, gave an update on the work of the other advisory committees. At the last Navigator and Enrollment Advisory Committee meeting, Manatt, the study vendor, gave an overview of current projections for Exchange enrollment and an overview of their key informant work plan. Manatt also received feedback on their interview guides for the various stakeholders affected by the navigator program. When the SHOP Committee met on September 27, 2011, they discussed worker-employer choice issues and the different criteria that should be considered when choosing qualified health plans (QHPs), such as affordability and potential adverse selection. At their last meeting, the Operating Model and Insurance Rules Committee discussed the goals for the Exchange and whether the Exchange should engage in selective contracting.

*Participated in meeting through teleconference.

Presentation on Five-Year Financial Projections

Patrick Holland, managing director, and James Woolman, senior consultant, from Wakely Consulting Group gave a PowerPoint presentation that discussed an overview of their project and provided background information on Exchange financing concepts and Exchange revenue and expense drivers. Specifically, Wakely's presentation touched on balancing revenue and expenses; how Exchange financing depends on many factors, such as enrollment scale and product mix; potential Exchange enrollment estimates; how average premium levels can differ; and administrative factors, like information technology and staffing.

To develop a cost estimate for the Exchange, Wakely will develop a range of potential options that incorporate various enrollment and policy scenarios, such as high or low Exchange enrollment, and the effects of these options on the cost and revenue needs of the Exchange.

Committee and Public Discussion

During Wakely's presentation, committee members asked questions. Discussion was raised about the 3 percent of QHPs' premium assessment and whether this revenue stream would be sufficient for the Maryland Exchange. Wakely responded that the 3 percent figure is only an estimate because the assessment will depend on many factors. Also, the basic health plan option, staffing for the Exchange, and risk adjustment were briefly discussed. Wakely was asked about their cost estimates for brokers and navigators. They responded that the Affordable Care Act requires that navigators be funded by Exchange operations, but there are many options for broker compensation, and Wakely can offer some suggestions on how these options affect Exchange funds. At the October 24, 2011 meeting, Wakely will provide more specific Exchange cost estimates.

No comments were made by the public.

Next Steps

At the next Financial Sustainability Advisory Committee meeting on October 17, 2011, Wakely will introduce options for financing the Exchange.

At the November 2, 2011, committee meeting, a review of the committee's draft report will be included on the agenda. Ms. Kopelke stated that the committee's report, which will be a complement to Wakely's report, will review and assess Wakely's options for the financing of the Exchange.

The November 7, 2011, meeting may be canceled if it is not necessary.